

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

QX Telecom LLC :
 :
Application for a Certificate of Interexchange :
Authority to operate as a Reseller : **01-0618**
and Facilities-based Provider of :
Telecommunications Services in State :
of Illinois. :

ORDER

By the Commission:

On October 1, 2001, QX Telecom LLC a Delaware Limited Liability Company that is authorized to do business in Illinois, (the "Applicant") filed a Verified Application with the Illinois Commerce Commission (the "Commission") for a Certificate of Service Authority to provide resold interexchange telecommunications services in the State of Illinois pursuant to Sections 13-403 and 13-404 of the Public Utilities Act, 220 ILCS 5/1-101, et seq. (the "Act"). The Applicant also sought waivers of Parts 710, 735 and Section 250.

Pursuant to notice given in accordance with the law and the rules and regulations of the Commission, this matter came on for a hearing before a duly authorized Administrative Law Judge of the Commission at its offices in Chicago, Illinois, on November 7, 2001. At the conclusion of the hearing, the record was marked "Heard and Taken."

The Applicant was represented by counsel and it appeared by its managing member, Mr. Eddie Misham, who testified in support of the petition. Misham testified that the Applicant is a Delaware Limited Liability Company with its principal place of business in New York, that is authorized to do business in Illinois. It intends to provide calling cards and other forms of resold telecommunications to businesses and residential customers. It also plans to acquire and resell various voice and data services and then package those services for the specialized functions and needs of its customers. Mr. Misham sponsored as Exhibits the Applicant's financial statements, which demonstrate that Applicant has the financial qualifications to provide telecommunications services in Illinois. Mr. Misham's testimony and the documentary evidence submitted established that the Applicant has the requisite technical, managerial and financial qualifications to provide telecommunications services in

Illinois. That evidence additionally established that the Applicant's management has the requisite training and experience in the telecommunications field.

The Applicant has indicated that it will abide by all federal and state "slamming" and "cramming" laws. (Section 258 of the Telecommunications Act of 1996 and Section 13-902 of the Public Utilities Act). The Applicant has also indicated that prior to commencing business in Illinois, it will have procedures in place to prevent "slamming" and "cramming."

The Applicant has requested that the Commission make certain declarations and grant certain waivers of the Act, and from the rules and regulations of the Commission. The services the Applicant proposes to provide will be competitive telecommunications services, as described in Section 13-502(b) of the Act. The Applicant is required to file tariffs with the Commission under Section 13-501 of the Act, describing the nature of its services, the applicable rates and charges and the terms and conditions of the service provider. If the Applicant files the required tariffs in compliance with Section 13-502(e) and the rules adopted thereunder in 83 Ill. Admin. Code Section 745, many of the provisions of the Act, as well as regulations adopted by the Commission in Title 83 Illinois Administrative Code will be inapplicable to the Applicant.

The Applicant seeks waivers of 83 Ill. Admin. Code Sections 710 and 735. Section 710 is entitled "Uniform System of Accounts for Telecommunications Carriers" and Section 735 is entitled "Procedures Governing the Establishment of Credit, Billing Deposits, Termination of Service and Issuance of Telephone directories for Local Exchange Telecommunications Carriers in the State of Illinois.

The Applicant's request for a waiver of 83 Ill. Admin. Code Section 710, which governs maintaining books and records under the Uniform System of Accounts, should be granted in order to reduce the economic burdens of regulation of a company that provides only competitive services. The Applicant's request for a waiver of Section 735 should also be granted, since the rules contained therein are not applicable to interexchange services.

The Applicant additionally seeks permission to keep its books and records at its principal place of business in New York, rather than Illinois, pursuant to 83 Ill. Admin. Code Section 250, which governs maintaining books and records in Illinois. Applicant's request should be granted, in accordance with Section 5-106 of the Act.

The Commission, having reviewed the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) the Commission has jurisdiction over the Applicant and the subject-matter herein;

- (2) the Applicant, QX Telecom LLC a Delaware limited liability company that is authorized to do business in Illinois, is seeking to obtain a certificate of service authority pursuant to Sections 13-403 and 13-404 of the Act in order to provide interexchange and resold interexchange services throughout the State of Illinois, and as such, provides telecommunications service within the meaning of Section 13-203 of the Act;
- (3) as is required by Sections 13-403 and 13-404 of the Act, QX Telecom, LLC possesses the requisite technical, financial and managerial resources to provide telecommunications services throughout the state of Illinois;
- (4) the recitals of fact and conclusions therein stated in the above portions of this Order are supported by the record and are hereby adopted as findings of fact;
- (5) the Applicant is granted a waiver of 83 Ill. Admin. Code Section 710, governing the Uniform System of Accounts, provided that the Applicant maintains its accounting records in accordance with Generally Accepted Accounting Principles in a level of detail similar to the accounting system it current uses and in sufficient detail to comply with all applicable tax laws;
- (6) the Applicant is granted a waiver of 83 Ill. Admin. Code Section 735, as it relates to credit, billing, deposits and termination of services;
- (7) pursuant to 83 Ill. Admin. Code Section 250, the Applicant should be allowed to maintain its books and records at its principal place of business in New York;
- (8) the Applicant should file with the Commission a tariff consisting of its rates, rules and regulations, in accordance with Sections 13-501 and 13-502 of the Act, to be effective upon proper filing, before commencing service.

IT IS THEREFORE ORDERED that QX Telecom LLC be, and is hereby, granted Certificates of Service Authority pursuant to Sections 13-403 and 13-404 of the Act and that its Certificates of Service Authority should read as follows:

CERTIFICATE O F INTEREXCHANGE SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that QX Telecom LLC is authorized pursuant to Section 13-403 of the Public Utilities

Act to provide telecommunications services on an interexchange basis within the State of Illinois.

CERTIFICATE OF INTEREXCHANGE SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that QX Telecom LLC is authorized pursuant to Section 13-404 of the Public Utilities Act to provide telecommunications services on a resold interexchange basis within the State of Illinois.

IT IS FURTHER ORDERED that QX Telecom LLC is required to file with this Commission a tariff consisting of its rates, rules and regulations, to be effective upon proper filing, before commencing service.

IT IS FURTHER ORDERED that QX Telecom LLC is granted its request for a waiver of 83 Ill. Admin Code Section 710, as long as it maintains its accounting records in accordance with generally Accepted Accounting Principles.

IT IS FURTHER ORDERED that QX Telecom LLC is granted its request for a waiver of 83 Ill. Admin. Code Section 735, as is set forth in finding (6) above.

IT IS FURTHER ORDERED that QX Telecom LLC is granted its request for a waiver of 83 Ill. Admin. Code Section 250, in order to keep its books and records at its principal place of business in New York.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Admin. Code § 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 19th day of December, 2001

Chairman